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Transportation Cost Comparison

OPERATIONS RESEARCH AND ECONOMIC ANALYSIS OFFICE



DEPARTMENT OF DEFENSE

DEFENSE LOGISTICS AGENCY

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FOREWORD

This report documents a comparison of the Defense Logistics Agency's (DLA) current transportation rates to various rate schedules used in both the Government and the private sector. Applicable transportation rate schedules were obtained from the General Services Administration (GSA), the Military Traffic Management Command (MTMC), and a nationwide motor carrier. Comparison transportation costs were calculated using actual shipment data and the applicable rate schedules. DLA's shipment costs were based on the actual transportation costs.

The results document the effective discount DLA's Guaranteed Traffic Program (GTP) is obtaining in relation to other existing non-GTP rate schedules. In addition, the rate level for second destination less-than-truckload (LTL) shipments moving under the GTP was considerably less than the rate level of first destination shipments moving under non-GTP rates. When the GTP rates were applied to the first destination shipment data it was found that a potential savings of \$2.76 million annually could be achieved. The results of the study are presented for DLA overall and then on a depot basis.

Based on the results of this study, it is recommended that consideration be given to the possible expansion of the GTP to include first destination LTL shipments.

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EXECUTIVE SUMMARY

The Defense Logistics Agency's (DLA) Directorate of Supply Operations, Transportation Division, requested DLA's Operations Research and Economic Analysis Management Support Office to conduct an analysis of Guaranteed Traffic Program (GTP) rates as compared to transportation rates used by other Government agencies and commercial industry. Such information is particularly valuable in providing for internal data needs to support new projects.

Applicable transportation rate schedules were obtained from the General Services Administration, the Military Traffic Management Command (MTMC), and a nationwide common carrier. Shipment costs were calculated using these alternate rate schedules for both first destination shipments (vendors to Department of Defense (DoD) customers and storage facilities) and second destination shipments (DLA depots to customers). Class 50 rates were used to rate Less-Than-Truckload (LTL) shipments and class 35 rates were used to rate Truckload (TL) shipments. Class rates are used by carriers to determine the transportation cost for different commodity groups. For example, class 50 rates are assigned to move high density goods that require little space; class 500 rates are applied when transporting low density goods that require a lot of space. Class 100 is taken to be the baseline rate scale. So, to derive class 50 rates or class 500 rates, one multiplies the baseline 100 rates by a conversion factor to adjust the rate scale upward or downward to the applicable rate class i.e. to convert MTMC's Class 100 Baseline rates to class 50 a conversion factor of 0.5 would be used. DLA GTP transportation costs were based on actual shipment cost data.

The scope of the study was limited to data from the fiscal year 1989. Both first and second destination motor traffic having destinations within the continental United States were analyzed. First destination traffic was restricted to shipments having Government bills of lading administered by Defense Contract Management Regional Offices. Second destination traffic was limited to shipments originating at one of the six DLA depots.

The cost comparisons led to the following conclusions. First, the mean GTP rate for second destination LTL traffic varies from 30.6 percent less than the mean undiscounted MTMC Baseline rate, adjusted to class 50, to 57.6 percent less than the mean undiscounted commercial class 50 rate. The mean GTP rate for second destination TL traffic varies from 25.9 percent less than the mean undiscounted MTMC Baseline rate, adjusted to class 35, to 43.1 percent less than the mean undiscounted commercial class 35 rate. The mean rate experienced by DoD shipping activities for first destination LTL traffic is overall 31.6 percent less than the mean undiscounted commercial class 50 rate; however the experienced mean rate exceeds the mean undiscounted MTMC Baseline rate, adjusted to class 50, by 12.6 percent. The difference in rate level for LTL traffic between first destination shipments and second destination shipments indicates that there is a potential savings that could be realized by placing first destination LTL movements under the GTP. The magnitude of the

potential savings is estimated to be more than \$2.76 million annually. Finally, the mean GTP rate for first destination TL traffic is overall less than the mean undiscounted commercial class 35 rate by 33.9 percent. However, the mean GTP TL rate was found to exceed the mean undiscounted MTMC Baseline rate adjusted to class 35 by 4.3 percent.

Defense Management Report Decision (DMRD) 915 advises that current transportation cost reduction initiatives be intensified to further reduce transportation costs. The results of the first destination LTL cost comparisons led to the prediction of potential annual savings of 26 percent of the actual first destination cost; or in dollar terms more than \$2.76 million. One recommendation was to forward this report to DLA-AT for their consideration and action regarding the possible expansion of the GTP to include first destination LTL shipments.

I. INTRODUCTION. The Defense Logistics Agency's (DLA) Directorate of Supply Operations, Transportation Division, requested DLA's Operations Research and Economic Analysis Management Support Office to conduct an analysis of Guaranteed Traffic Program (GTP) rates as compared to transportation rates used by other Government agencies and commercial industry.

A. Background. Since 1984, personnel in the Transportation Division of the DLA Directorate of Supply Operations have been monitoring depot transportation costs. A general decrease in expenditures has been observed. The GTP is thought to have greatly contributed to this cost reduction. This program, implemented by DLA in 1982, is a bid-based solicitation program in which carriers submit bids for handling all traffic between a depot and a destination or region. The purpose of GTP is to provide timely service in the delivery of Department of Defense (DoD) materiel at the lowest possible cost. The GTP is a management tool available to installation transportation officers and installation traffic managers. At this time all six DLA depots are using GTP to manage their transportation costs. Defense Management Report Decision (DMRD) 915 encourages increasing emphasis on the GTP in order to further reduce transportation costs.

B. Problem Statement. What is the mean level of rates experienced by DoD shippers under the GTP and how does that relate to the transportation rate schedules of other government agencies and commercial shippers.

C. Objective. To compare DLA's mean GTP transportation rates for a year's shipments to mean transportation rates calculated by applying other rate structures from government and the private sector to those same shipments.

D. Scope.

1. The data for the study was obtained from the Freight Information System (FINS) database for fiscal year 1989.

2. Mode was restricted to Trailer-On-Flatcar (TOFC) and closed van shipments carrying either Less-Than-Truckload (LTL) quantities or Truckload (TL) quantities. Hereafter, TOFC shipments will be included with TL shipments.

3. For cost calculations covering second destination traffic, only shipments originating at the six DLA depots having destinations within the continental United States (CONUS) were included.

4. For cost calculations covering first destination traffic, only Government Bills of Lading (GBLs) with an origin Government Bill of Lading Location Code ending in 'SK' having destinations within CONUS were included. The 'SK' identifies a vendor shipment.

5. Alternate rate schedules were obtained from two government organizations, General Services Administration (GSA) and the Military Traffic Management Command (MTMC), and from a private carrier that operates nationwide.

E. Assumptions.

1. All second destination shipments moved under the GTP.
2. All first destination TL shipments moved under the GTP.

II. METHODOLOGY

A. Create Shipment Databases. Data from FINS database were selected in accordance with the restrictions set forth in the scope of the study. Of the 1,367,543 records for fiscal year 1989, 407,237 met the criteria. Shipments for which mileage data could not be systematically calculated using a computer algorithm were eliminated. Shipments with missing weight data or shipments in excess of 40,000 pounds were also excluded. Outliers, defined as shipments whose cost was either questionably high (greater than \$7,000.00) or questionably low (less than \$10.00), were eliminated. After completing the screening process, the database for computing second destination costs consisted of 383,722 records. An analogous procedure was employed to obtain a database for first destination shipments. The first destination database consisted of 57,882 records.

B. Create Rate Databases. Government agency baseline rates were obtained from MTMC and GSA. MTMC's rate schedule is called the "Baseline Schedule of Class 100 Rates and Minimum Charges," published in February 1989. GSA's rate schedule is called the "Baseline Schedule of Class 50 Rates and Minimum Charges", published in April 1989. Databases were created to contain each of the Government rate schedules. A third rate schedule employed was a three-digit zip code commercial rate schedule published by one of the principal nationwide carriers. This rate database, obtained directly from the carrier, is updated regularly. The version used in the study was published in February 1989.

C. Rating of Shipments.

All LTL shipments were rated using undiscounted rates adjusted to class 50. Commercial rates were converted to class 50 using the carrier provided table of conversion factors that are applied depending on origin-destination zip codes. To convert MTMC's class 100 rates to class 50 the rates were multiplied by a factor of 0.5. GSA's baseline rates are class 50. All TL shipments were rated using undiscounted rates adjusted to class 35. Commercial rates were converted to class 35. MTMC's baseline rates were adjusted to class 35 by multiplying by a factor of 0.35. GSA's baseline rates were multiplied by a factor of 0.7 to obtain the class 35 level. The cost of each shipment was obtained by multiplying the applicable rate by the weight converted to hundredweight. This cost was compared to the cost computed for the next higher weight break. The lesser of the two costs was assigned to be the cost of the shipment provided the amount was not less than the absolute minimum charge. The absolute minimum charge was never adjusted nor modified in any way. In all cost computations the minimum charge was applied as it was found in the rate schedule.

Second destination shipment analysis was divided into LTL and TL with TL defined as consisting of shipments greater than or equal to 15,000 pounds.

First destination shipment analysis was divided in LTL and TL using weights greater than or equal to 10,000 pounds to define a truckload shipment.

III. ANALYSIS

A. Comparison of Rates For Second Destination LTL Shipments.

Tables 1, 2, and 3 present the results of comparing the transportation cost under GTP or LTL traffic to the cost of those same shipments as calculated from other rate schedules. Results are presented by rate type (first column). The two rate types are \$/Cwt, which is cost per hundredweight, and \$/Mile, which is cost per truck mile. The second column shows the mean undiscounted rate for shipments as calculated from the alternate rate schedule, the third column shows the mean GTP rate as calculated from FINS data, and the last column shows the difference in level between the two mean rates. The difference in level was calculated by subtracting the mean GTP rate from the mean alternate rate and dividing the difference by the mean alternate rate. The figures in this column represent the effective discount that is being obtained.

This format is used for all the comparisons in the body of the report. The results are for all commodities taken together. The subsistence commodity was not analyzed separately because of the small number of observations available in the data base (approximately 120 observations for LTL and approximately 100 observations for TL).

Table 1 shows that the mean GTP rate is on the average 57.6 percent less than the mean undiscounted class 50 commercial rate for freight-all-kinds (FAK). Similar results are presented in Table 2 and Table 3. Table 2 presents the results of comparing the mean GTP rate to the mean undiscounted GSA baseline rate adjusted to class 50. Table 2 shows that the mean GTP rate is 46.6 percent below the mean GSA rate for FAK. Similar results are shown by the comparisons presented in Table 3 between the mean GTP rate and the mean MTMC rate, adjusted to class 50.

Table 1

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50 RATES AND GTP LTL RATES

Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
\$/Cwt	\$19.9184	\$8.4520	57.6
\$/Mile	\$ 0.1765	\$0.0749	57.6

Table 2

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES

Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
\$/Cwt	\$15.8264	\$8.4520	46.6
\$/Mile	\$ 0.1403	\$0.0749	46.6

Table 3

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES

Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
\$/Cwt	\$12.1843	\$8.4520	30.6
\$/Mile	\$ 0.1080	\$0.0749	30.6

Tables 1, 2 and 3 show the overall rates and difference in rate levels across all six DLA depots and LTL weight categories. For each weight category for each depot there will be variability in the difference in the rate levels. Appendices A, B, and C contain tables showing the mean LTL rate comparisons on a depot and weight category basis. Appendix A shows the results of comparing GTP LTL rates to the undiscounted commercial class 50 rate, Appendix B shows the results of comparing GTP LTL rates to the undiscounted GSA Baseline rates, and Appendix C shows the results of comparing the GTP LTL rates to the undiscounted MTMC Baseline rates adjusted to class 50.

B. Comparison of Rates For Second Destination TL Shipments.

Tables 4, 5, and 6 present the results of rate comparisons between GTP TL rates and the alternate rate schedules converted to class 35. Table 4 summarizes the results of comparing the mean GTP truckload rate with mean undiscounted class 35 commercial rate. As Table 4 shows, the mean GTP rate is 43.1 percent less than the mean commercial rate. Comparing GTP rates to GSA rates in Table 5 reveals that the mean GTP rate is at a level 38.7 percent below the mean undiscounted GSA baseline rate. Table 6 shows the mean GTP rate is 25.9 percent below the mean undiscounted MTMC baseline rate.

Table 4

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 35 RATES AND GTP TL RATES

Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
\$/Cwt	\$4.2540	\$2.4216	43.1
\$/Mile	\$2.1630	\$1.2317	43.1

Table 5

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES ADJUSTED TO CLASS 35 AND GTP TL RATES

Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
\$/Cwt	\$3.9497	\$2.4216	38.7
\$/Mile	\$2.0083	\$1.2313	38.7

Table 6

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES ADJUSTED TO CLASS 35 AND GTP TL RATES

Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
\$/Cwt	\$3.2685	\$2.4216	25.9
\$/Mile	\$1.6619	\$1.2313	25.9

Appendices D, E, and F contain tables showing the mean TL rate comparisons on a depot and weight category basis. Appendix D shows the results of comparing GTP TL rates to commercial class 35 rates, Appendix E shows the results of comparing GTP TL rates to GSA baseline rates adjusted to class 35, and Appendix F shows the results of comparing the GTP TL rates to MTMC baseline rates adjusted to class 35.

C. Comparison of Rates For First Destination LTL Shipments.

First destination traffic is defined as the movement of shipments from vendors to DoD customers or from vendors to DoD storage facilities. First destination LTL shipments are not part of the GTP. Table 7 shows the results of comparing the transportation cost incurred by DoD with the transportation cost calculated from the commercial class 50 rates. The mean rate paid by DoD activities was determined to be 31.6 percent below the mean commercial class 50 rate. Tables 8 and 9 show the results of comparing first destination experienced mean LTL rates with mean undiscounted GSA Class 50 Baseline rates and mean undiscounted MTMC Baseline rates, adjusted to Class 50. The experienced mean rate by DoD activities is at a level 14.2 percent less than the mean GSA Baseline rate. When comparing the experienced mean rate with the

Table 7

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50 RATES AND EXPERIENCED RATES FOR FIRST DESTINATION LTL SHIPMENTS

Rate Type	Mean Comm'l Rate	Experienced Mean Rate	Percentage Reduction of Comm'l Rate
\$/Cwt	\$18.8660	\$12.8959	31.6
\$/Mile	\$ 0.2691	\$ 0.1839	31.6

Table 8

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES ADJUSTED TO CLASS 50 AND EXPERIENCED RATES FOR FIRST DESTINATION LTL SHIPMENTS

Rate Type	Mean GSA Rate	Experienced Mean Rate	Percentage Reduction of GSA Rate
\$/Cwt	\$15.0230	\$12.8959	14.2
\$/Mile	\$ 0.2143	\$ 0.1839	14.2

Table 9

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND EXPERIENCED RATES
FOR FIRST DESTINATION LTL SHIPMENTS

Rate Type	Mean MTMC Rate	Experienced Mean Rate	Percentage Reduction of MTMC Rate
\$/Cwt	\$11.4575	\$12.8959	-12.6
\$/Mile	\$ 0.1633	\$ 0.1839	-12.6

mean MTMC Baseline rate, the first destination experienced mean rate exceeds the mean MTMC rate by 12.6 percent. Table 10 presents a summary of the data for first destination LTL shipments used to estimate potential savings. The "Wgt Group" column identifies the various shipment weight categories. For example, "Min" represents the shipments less than 200 pounds, and the "200" category denotes shipments ranging from 200 to 499 pounds. The cost to the DoD of first destination LTL shipments in the study's database was \$10,594,693. This figure represents the cost of closed van shipments as defined within the scope of the study. The total weight associated with these 47,924 shipments was 82,155,687 pounds. The column labeled "2nd Dest \$/Cwt/Mi" shows the cost factors for each weight group as calculated from second destination LTL shipment data. The "\$/Cwt/Mi" cost factor was selected over the "\$/Cwt" cost factor to account for the difference in average shipment distance between first and second destination LTL in

Table 10

SUMMARY DATA USED TO ESTIMATE SAVINGS
FOR FIRST DESTINATION LTL SHIPMENTS

Wgt Group	Actual 1st Dest LTL Cost	Weight	GBLs	Miles	2nd Dest \$/Cwt/Mi	Estimated Potential 1st Dest LTL Cost
Min	\$600,048	1,129,925	10,123	12,277,599	\$0.02968	\$364,399
200	\$746,963	3,165,621	9,800	12,385,979	\$0.01320	\$528,125
500	\$948,943	5,321,131	7,383	8,918,220	\$0.01047	\$672,970
1K	\$1,555,341	10,992,356	7,748	9,123,422	\$0.00902	\$1,167,523
2K	\$2,888,910	24,541,125	7,765	9,110,019	\$0.00781	\$2,248,658
5K	\$3,854,488	37,005,529	5,105	5,791,309	\$0.00680	\$2,854,674
All	\$10,594,693	82,155,687	47,924	57,606,548		\$7,836,350

calculating savings. These cost factors were applied using the weight, GBLs, and mileage data of each first destination LTL weight group to generate the estimated cost figures in the last column. The significance of the "Estimated Potential 1st Dest Cost" column is that the dollar figures represent the calculated cost that would have been incurred if second destination GTP LTL rates had been in effect for first destination LTL traffic. Taking the \$10,594,693 sum and subtracting the \$7,836,350 total yields approximately \$2.76 million or 26 percent of the actual first destination cost. The \$2.76 million dollar sum represents the estimated potential annual savings that could be realized by including first destination LTL in the GTP. This potential savings estimate is low because not all LTL first destination shipments could be used to estimate savings. As indicated in the methodology section, shipments that had missing data or variables with values that were judged to be outliers were eliminated. The number of shipments eliminated amounted to 16 percent of the total selected. It is expected that if these additional shipments had been included in the calculations to estimate savings, the savings would have been greater.

The savings estimate is based on the assumption that the low rate levels obtained for second destination LTL traffic can be negotiated for first destination LTL movements. GTP has been successful in saving transportation dollars for second destination LTL traffic because the program leverages volume to obtain low rates. The large volume of first destination LTL traffic makes first destination LTL shipments a candidate for inclusion into the GTP. Additional assumptions are that there are no major rate hikes by the LTL carriers and that first destination LTL volume remains at or above the 1989 level.

D. Comparison of Rates For First Destination TL Shipments.

The next table, Table 11, shows the results of comparing the transportation cost for first destination TL traffic with the cost computed from the commercial class 35 rates. In contrast to first destination LTL movements, most first destination TL movements are governed by GTP agreements. The results show that the mean GTP rate for TL is 33.9 percent less than the mean undiscounted commercial class 35 rate. Tables 12 and 13 display the results of comparing first destination TL rates with class 35 rates from the GSA and MTMC baseline schedules respectively. The first destination mean GTP TL rate is 14.4 percent less than the mean undiscounted GSA baseline, adjusted to class 35; however the mean GTP TL rate exceeds the mean undiscounted MTMC baseline rate, adjusted to class 35, by 4.3 percent. The negative sign preceding the 4.3 percent figure indicates the mean GTP rate exceeded the mean MTMC baseline rate, adjusted to class 35.

Table 11

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 35 RATES AND GTP RATES FOR FIRST DESTINATION TL SHIPMENTS

Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
\$/Cwt	\$7.6351	\$5.0461	33.9
\$/Mile	\$1.5857	\$1.0480	33.9

Table 12

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES ADJUSTED TO CLASS 35 AND GTP RATES FOR FIRST DESTINATION TL SHIPMENTS

Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
\$/Cwt	\$5.8976	\$5.0461	14.4
\$/Mile	\$1.2249	\$1.0480	14.4

Table 13

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES ADJUSTED TO CLASS 35 AND GTP RATES FOR FIRST DESTINATION TL SHIPMENTS

Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
\$/Cwt	\$4.8376	\$5.0461	-4.3
\$/Mile	\$1.0047	\$1.0480	-4.3

Tables 14 and 15 are presented to examine the first destination TL GTP rates in comparison with the second destination TL GTP rates. Data in both tables are presented by weight group. The weight group '10 K' represents shipments weighing from 10,000 pounds to 19,999 pounds. The other two weight groups are analogously defined with the '30 K' category including shipments from 30,000 pounds to 40,000 pounds.

Table 14

SUMMARY DATA FOR FIRST DESTINATION TRUCKLOAD SHIPMENTS

Weight Group	Total GTP Cost	Total GBL Weight	Total Miles	Total GBLs	Average \$/Mile	Average \$/Cwt/Mile
10 K	\$4,820,545	61,551,308	4,883,800	4,357	\$0.9870	\$0.0070
20 K	\$3,300,368	67,841,143	2,902,177	2,761	\$1.1372	\$0.0046
30 K	\$3,520,256	101,305,373	3,321,932	2,840	\$1.0597	\$0.0030
ALL	\$11,641,179	230,697,824	11,107,909	9,958	\$1.0480	\$0.0045

Table 15

SUMMARY DATA FOR SECOND DESTINATION TRUCKLOAD SHIPMENTS

Weight Group	Total GTP Cost	Total GBL Weight	Total Miles	Total GBLs	Average \$/Mile	Average \$/Cwt/Mile
10 K	\$4,208,178	99,141,996	4,636,398	6,950	\$0.9076	\$0.0064
20 K	\$3,043,861	119,416,753	2,446,211	4,800	\$1.2443	\$0.0050
30 K	\$3,098,117	159,134,562	2,344,362	4,565	\$1.3215	\$0.0038
All	\$10,350,156	377,693,311	9,426,971	16,315	\$1.0979	\$0.0047

Table 14 shows that the GTP cost was greater for first destination shipments than for second destination shipments in spite of the fact the total GBL weight was less for first destination traffic. One possible explanation is that first destination shipments travel greater distances. The average distance per shipment for first destination TL was 1115 miles; fifty percent of all these shipments traveled 843 miles or more. In contrast, the average distance of second destination TL was 578 miles; fifty percent of all shipments moved 422 miles or more. Since transportation costs increase with distance, it follows that first destination TL costs would be higher than second destination TL costs.

Although first destination TL shipments move farther overall, results show that the average \$/Mile rates for first destination TL are lower than the corresponding average \$/Mile rates for second destination TL. This observation is interpreted to be the result of the fact that since first destination TL traffic on the average moves farther, the fixed cost portion of the \$/Mile rate becomes increasingly diluted with distance.

When rates are calculated in the form of \$/Cwt/Mile, Tables 14 and 15 show that first and second destination TL rates for the individual weight categories are similar and the overall \$/Cwt/Mile rates are nearly identical (\$.0045 vs \$.0047). Including mileage in the calculation of the rates makes the average rates of the GTP programs for first and second destination TL traffic comparable.

V. CONCLUSIONS & RECOMMENDATIONS

A. Conclusions.

1. The mean GTP rate for second destination LTL traffic varies from 30.6 percent less than the mean undiscounted MTMC Baseline rate, adjusted to class 50, to 57.6 percent less than the mean undiscounted commercial class 50 rate.

2. The mean GTP rate for second destination TL traffic varies from 25.9 percent less than the mean undiscounted MTMC Baseline rate, adjusted to class 35, to 43.1 percent less than the mean undiscounted commercial class 35 rate.

3. The mean experienced rate by DoD activities for first destination LTL traffic is 31.6 percent less than the mean undiscounted commercial commercial class 50 rate; however the mean experienced rate exceeds the mean undiscounted MTMC baseline rate, adjusted to class 50, by 12.6 percent. The difference in rate level for LTL traffic between first destination shipments and second destination shipments indicates that there is a potential savings that could be realized by placing first destination LTL movements under the GTP. The magnitude of the potential savings is estimated to be 26 percent of the actual first destination cost or \$2.76 million annually.

4. The mean GTP rate for first destination TL traffic is less than the mean rate of the undiscounted commercial class 35 rate schedule by 33.9 percent. However, the mean GTP TL rate is found to exceed the mean undiscounted MTMC baseline rate, adjusted to class 35, by 4.3 percent.

B. Recommendations

o Continue to use the GTP to manage all TL traffic as well as second destination LTL traffic.

o Forward this report to DLA-AT for their consideration and action regarding possible expansion of the GTP to include first destination LTL shipments.

APPENDIX A

Comparison Between A Commercial Rate Schedule And GTP Rates
For Second Destination LTL Shipments
By Depot

Table A-1

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50
RATES AND GTP LTL RATES FOR DDCO

Weight Category	Rate Type	Mean Commercial Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
Minimum	\$/Cwt	\$66.6341	\$30.5330	54.2
	\$/Mile	\$0.0842	\$0.0386	54.2
200 Lbs	\$/Cwt	\$37.4278	\$13.6781	63.5
	\$/Mile	\$0.1426	\$0.0521	63.5
500 Lbs	\$/Cwt	\$24.1324	\$10.1527	57.9
	\$/Mile	\$0.1971	\$0.0829	57.9
1K Lbs	\$/Cwt	\$19.2673	\$8.3159	56.8
	\$/Mile	\$0.3261	\$0.1407	56.8
2K Lbs	\$/Cwt	\$15.6132	\$6.7713	56.6
	\$/Mile	\$0.6168	\$0.2675	56.6
5K Lbs	\$/Cwt	\$13.1325	\$6.1499	53.2
	\$/Mile	\$1.1179	\$0.5235	53.2
10K Lbs	\$/Cwt	\$10.6237	\$5.7287	46.1
	\$/Mile	\$1.6146	\$0.8706	46.1
All	\$/Cwt	\$23.3678	\$10.2706	56.1
	\$/Mile	\$0.1730	\$0.0761	56.1

Table A-2

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50
RATES AND GTP LTL RATES FOR DDMP

Weight Category	Rate Type	Mean Commercial Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
Minimum	\$/Cwt	\$68.4847	\$25.3561	63.0
	\$/Mile	\$0.0719	\$0.0266	63.0
200 Lbs	\$/Cwt	\$37.5986	\$11.7016	68.9
	\$/Mile	\$0.1316	\$0.0410	68.9
500 Lbs	\$/Cwt	\$23.8145	\$9.2462	61.2
	\$/Mile	\$0.1890	\$0.0734	61.2
1K Lbs	\$/Cwt	\$18.9962	\$7.4529	60.8
	\$/Mile	\$0.3203	\$0.1257	60.8
2K Lbs	\$/Cwt	\$14.9991	\$5.8942	60.7
	\$/Mile	\$0.6010	\$0.2362	60.7
5K Lbs	\$/Cwt	\$11.9651	\$4.7600	60.2
	\$/Mile	\$1.1779	\$0.4686	60.2
10K Lbs	\$/Cwt	\$8.9919	\$3.9801	55.7
	\$/Mile	\$1.8569	\$0.8219	55.7
All	\$/Cwt	\$21.2327	\$8.0193	62.2
	\$/Mile	\$0.1683	\$0.0636	62.2

Table A-3

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50
RATES AND GTP LTL RATES FOR DDMT

Weight Category	Rate Type	Mean Commercial Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
Minimum	\$/Cwt	\$65.6564	\$27.7618	57.7
	\$/Mile	\$0.0798	\$0.0338	57.7
200 Lbs	\$/Cwt	\$33.7696	\$12.6964	62.4
	\$/Mile	\$0.1346	\$0.0506	62.4
500 Lbs	\$/Cwt	\$21.7966	\$9.9375	54.4
	\$/Mile	\$0.1934	\$0.0882	54.4
1K Lbs	\$/Cwt	\$18.5772	\$8.1993	55.9
	\$/Mile	\$0.3328	\$0.1469	55.9
2K Lbs	\$/Cwt	\$15.2311	\$6.8543	55.0
	\$/Mile	\$0.6153	\$0.2769	55.0
5K Lbs	\$/Cwt	\$12.6548	\$5.8378	53.9
	\$/Mile	\$1.1514	\$0.5312	53.9
10K Lbs	\$/Cwt	\$9.7683	\$5.2656	46.1
	\$/Mile	\$1.7327	\$0.9340	46.1
All	\$/Cwt	\$18.5963	\$8.3144	55.3
	\$/Mile	\$0.2139	\$0.0956	55.3

Table A-4

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50
RATES AND GTP LTL RATES FOR DDOU

Weight Category	Rate Type	Mean Commercial Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
Minimum	\$/Cwt	\$68.0319	\$27.1675	60.1
	\$/Mile	\$0.0520	\$0.0208	60.1
200 Lbs	\$/Cwt	\$42.7225	\$12.7009	70.3
	\$/Mile	\$0.1061	\$0.0316	70.3
500 Lbs	\$/Cwt	\$26.2402	\$9.7194	63.0
	\$/Mile	\$0.1529	\$0.0566	63.0
1K Lbs	\$/Cwt	\$20.8075	\$8.1602	60.8
	\$/Mile	\$0.2519	\$0.0988	60.8
2K Lbs	\$/Cwt	\$17.6565	\$6.8768	61.1
	\$/Mile	\$0.4846	\$0.1987	61.1
5K Lbs	\$/Cwt	\$14.6265	\$5.6172	61.6
	\$/Mile	\$0.9444	\$0.3627	61.6
10K Lbs	\$/Cwt	\$12.1109	\$4.6892	61.3
	\$/Mile	\$1.5234	\$0.5898	61.3
All	\$/Cwt	\$23.4651	\$8.8352	62.4
	\$/Mile	\$0.1394	\$0.0525	62.4

Table A-5

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50
RATES AND GTP LTL RATES FOR DDRV

Weight Category	Rate Type	Mean Commercial Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
Minimum	\$/Cwt	\$63.7778	\$31.6485	50.4
	\$/Mile	\$0.0855	\$0.0424	50.4
200 Lbs	\$/Cwt	\$33.0786	\$12.9103	61.0
	\$/Mile	\$0.1461	\$0.0570	61.0
500 Lbs	\$/Cwt	\$20.9571	\$9.4872	54.7
	\$/Mile	\$0.2112	\$0.0956	54.7
1K Lbs	\$/Cwt	\$17.0354	\$7.5668	55.6
	\$/Mile	\$0.3536	\$0.1571	55.6
2K Lbs	\$/Cwt	\$13.7142	\$6.1534	55.1
	\$/Mile	\$0.6399	\$0.2871	55.1
5K Lbs	\$/Cwt	\$10.9828	\$4.8749	55.6
	\$/Mile	\$1.1599	\$0.5148	55.6
10K Lbs	\$/Cwt	\$8.8365	\$4.4367	49.8
	\$/Mile	\$1.6639	\$0.8354	49.8
All	\$/Cwt	\$18.4003	\$8.3802	54.5
	\$/Mile	\$0.2045	\$0.0931	54.5

Table A-6

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 50
RATES AND GTP LTL RATES FOR DDTC

Weight Category	Rate Type	Mean Commercial Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
Minimum	\$/Cwt	\$76.0567	\$31.6620	58.4
	\$/Mile	\$0.0464	\$0.0193	58.4
200 Lbs	\$/Cwt	\$46.6044	\$15.0281	67.8
	\$/Mile	\$0.0936	\$0.0302	67.8
500 Lbs	\$/Cwt	\$27.5304	\$11.8157	57.1
	\$/Mile	\$0.1312	\$0.0563	57.1
1K Lbs	\$/Cwt	\$20.8728	\$9.7143	53.5
	\$/Mile	\$0.2248	\$0.1046	53.5
2K Lbs	\$/Cwt	\$15.8031	\$7.8265	50.5
	\$/Mile	\$0.4431	\$0.2195	50.5
5K Lbs	\$/Cwt	\$11.7187	\$6.0019	48.8
	\$/Mile	\$0.8615	\$0.4412	48.8
10K Lbs	\$/Cwt	\$8.4254	\$4.5921	45.5
	\$/Mile	\$1.3549	\$0.7384	45.5
All	\$/Cwt	\$18.3217	\$8.3542	54.4
	\$/Mile	\$0.1551	\$0.0707	54.4

APPENDIX B

Comparison Between GSA'S Baseline Rate Schedules and GTP Rates
For Second Destination LTL Shipments
By Depot

Table B-1

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDCO

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
Minimum	\$/Cwt	\$59.4180	\$30.5330	48.6
	\$/Mile	\$0.0751	\$0.0386	48.6
200 Lbs	\$/Cwt	\$21.5454	\$13.6781	36.5
	\$/Mile	\$0.0821	\$0.0521	36.5
500 Lbs	\$/Cwt	\$16.5803	\$10.1527	38.8
	\$/Mile	\$0.1354	\$0.0829	38.8
1K Lbs	\$/Cwt	\$13.8496	\$8.3159	40.0
	\$/Mile	\$0.2344	\$0.1407	40.0
2K Lbs	\$/Cwt	\$11.6628	\$6.7713	41.9
	\$/Mile	\$0.4607	\$0.2675	41.9
5K Lbs	\$/Cwt	\$10.0205	\$6.1499	38.6
	\$/Mile	\$0.8530	\$0.5235	38.6
10K Lbs	\$/Cwt	\$8.4958	\$5.7287	32.6
	\$/Mile	\$1.2912	\$0.8706	32.6
All	\$/Cwt	\$17.6997	\$10.2706	42.0
	\$/Mile	\$0.1311	\$0.0761	42.0

Table B-2

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDMP

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
Minimum	\$/Cwt	\$62.5988	\$25.3561	59.5
	\$/Mile	\$0.0658	\$0.0266	59.5
200 Lbs	\$/Cwt	\$22.3230	\$11.7016	47.6
	\$/Mile	\$0.0781	\$0.0410	47.6
500 Lbs	\$/Cwt	\$16.7158	\$9.2462	44.7
	\$/Mile	\$0.1326	\$0.0734	44.7
1K Lbs	\$/Cwt	\$13.7557	\$7.4529	45.8
	\$/Mile	\$0.2320	\$0.1257	45.8
2K Lbs	\$/Cwt	\$11.3918	\$5.8942	48.3
	\$/Mile	\$0.4565	\$0.2362	48.3
5K Lbs	\$/Cwt	\$9.1701	\$4.7600	48.1
	\$/Mile	\$0.9027	\$0.4686	48.1
10K Lbs	\$/Cwt	\$7.3202	\$3.9801	45.6
	\$/Mile	\$1.5117	\$0.8219	45.6
All	\$/Cwt	\$16.1736	\$8.0193	50.4
	\$/Mile	\$0.1282	\$0.0636	50.4

Table B-3

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDMT

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
Minimum	\$/Cwt	\$60.8644	\$27.7618	54.4
	\$/Mile	\$0.0740	\$0.0338	54.4
200 Lbs	\$/Cwt	\$21.4918	\$12.6964	40.9
	\$/Mile	\$0.0856	\$0.0506	40.9
500 Lbs	\$/Cwt	\$16.3157	\$9.9375	39.1
	\$/Mile	\$0.1448	\$0.0882	39.1
1K Lbs	\$/Cwt	\$13.9316	\$8.1993	41.2
	\$/Mile	\$0.2496	\$0.1469	41.2
2K Lbs	\$/Cwt	\$11.8621	\$6.8543	42.2
	\$/Mile	\$0.4792	\$0.2769	42.2
5K Lbs	\$/Cwt	\$9.9472	\$5.8378	41.3
	\$/Mile	\$0.9050	\$0.5312	41.3
10K Lbs	\$/Cwt	\$8.2243	\$5.2656	36.0
	\$/Mile	\$1.4588	\$0.9340	36.0
All	\$/Cwt	\$14.7436	\$8.3144	43.6
	\$/Mile	\$0.1696	\$0.0956	43.6

Table B-4

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDOU

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Reduction of GSA Rate
Minimum	\$/Cwt	\$71.8697	\$27.1675	62.2
	\$/Mile	\$0.0550	\$0.0208	62.2
200 Lbs	\$/Cwt	\$26.7651	\$12.7009	52.6
	\$/Mile	\$0.0665	\$0.0316	52.6
500 Lbs	\$/Cwt	\$20.4908	\$9.7194	52.6
	\$/Mile	\$0.1194	\$0.0566	52.6
1K Lbs	\$/Cwt	\$17.1512	\$8.1602	52.4
	\$/Mile	\$0.2076	\$0.0988	52.4
2K Lbs	\$/Cwt	\$14.5835	\$6.8768	52.9
	\$/Mile	\$0.4003	\$0.1887	52.9
5K Lbs	\$/Cwt	\$12.0433	\$5.6172	53.4
	\$/Mile	\$0.7776	\$0.3627	53.4
10K Lbs	\$/Cwt	\$9.8989	\$4.6892	52.6
	\$/Mile	\$1.2452	\$0.5898	52.6
All	\$/Cwt	\$19.7415	\$8.8352	55.3
	\$/Mile	\$0.1172	\$0.0525	55.3

Table B-5

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDRV

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
Minimum	\$/Cwt	\$57.9633	\$31.6485	45.4
	\$/Mile	\$0.0777	\$0.0424	45.4
200 Lbs	\$/Cwt	\$20.2164	\$12.9103	36.1
	\$/Mile	\$0.0893	\$0.0570	36.1
500 Lbs	\$/Cwt	\$14.8296	\$9.4872	36.0
	\$/Mile	\$0.1495	\$0.0956	36.0
1K Lbs	\$/Cwt	\$12.5311	\$7.5668	39.6
	\$/Mile	\$0.2601	\$0.1571	39.6
2K Lbs	\$/Cwt	\$10.6882	\$6.1534	42.4
	\$/Mile	\$0.4987	\$0.2871	42.4
5K Lbs	\$/Cwt	\$8.9393	\$4.8749	45.5
	\$/Mile	\$0.9441	\$0.5148	45.5
10K Lbs	\$/Cwt	\$7.6643	\$4.4367	42.1
	\$/Mile	\$1.4432	\$0.8354	42.1
All	\$/Cwt	\$14.4560	\$8.3802	42.0
	\$/Mile	\$0.1606	\$0.0931	42.0

Table B-6

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDTC

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
Minimum	\$/Cwt	\$75.1299	\$31.6620	57.9
	\$/Mile	\$0.0458	\$0.0193	57.9
200 Lbs	\$/Cwt	\$28.6506	\$15.0281	47.6
	\$/Mile	\$0.0575	\$0.0302	47.6
500 Lbs	\$/Cwt	\$21.6842	\$11.8157	45.5
	\$/Mile	\$0.1033	\$0.0563	45.5
1K Lbs	\$/Cwt	\$17.2103	\$9.7143	43.6
	\$/Mile	\$0.1854	\$0.1046	43.6
2K Lbs	\$/Cwt	\$13.5468	\$7.8265	42.2
	\$/Mile	\$0.3799	\$0.2195	42.2
5K Lbs	\$/Cwt	\$10.5816	\$6.0019	43.3
	\$/Mile	\$0.7779	\$0.4412	43.3
10K Lbs	\$/Cwt	\$8.1523	\$4.5921	43.7
	\$/Mile	\$1.3110	\$0.7384	43.7
All	\$/Cwt	\$15.4487	\$8.3542	45.9
	\$/Mile	\$0.1308	\$0.0707	45.9

APPENDIX C

Comparison Between MTMC Baseline Rate Schedule and GTP Rates
For Second Destination LTL Shipments
By Depot

Table C-1

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDCO

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
Minimum	\$/Cwt	\$46.7699	\$30.5330	34.7
	\$/Mile	\$0.0591	\$0.0386	34.7
200 Lbs	\$/Cwt	\$16.8573	\$13.6781	18.9
	\$/Mile	\$0.0642	\$0.0521	18.9
500 Lbs	\$/Cwt	\$12.5826	\$10.1527	19.3
	\$/Mile	\$0.1028	\$0.0829	19.3
1K Lbs	\$/Cwt	\$10.4678	\$8.3159	20.6
	\$/Mile	\$0.1772	\$0.1407	20.6
2K Lbs	\$/Cwt	\$8.9096	\$6.7713	24.0
	\$/Mile	\$0.3520	\$0.2675	24.0
5K Lbs	\$/Cwt	\$7.8359	\$6.1499	21.5
	\$/Mile	\$0.6670	\$0.5235	21.5
10K Lbs	\$/Cwt	\$6.6782	\$5.7287	14.2
	\$/Mile	\$1.0149	\$0.8706	14.2
All	\$/Cwt	\$13.7385	\$10.2706	25.2
	\$/Mile	\$0.1017	\$0.0761	25.2

Table C-2

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDMP

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
Minimum	\$/Cwt	\$49.4495	\$25.3561	48.7
	\$/Mile	\$0.0519	\$0.0266	48.7
200 Lbs	\$/Cwt	\$17.4124	\$11.7016	32.8
	\$/Mile	\$0.0609	\$0.0410	32.8
500 Lbs	\$/Cwt	\$12.5707	\$9.2462	26.5
	\$/Mile	\$0.0998	\$0.0734	26.5
1K Lbs	\$/Cwt	\$10.3213	\$7.4529	27.8
	\$/Mile	\$0.1741	\$0.1257	27.8
2K Lbs	\$/Cwt	\$8.6642	\$5.8942	32.0
	\$/Mile	\$0.3472	\$0.2362	32.0
5K Lbs	\$/Cwt	\$7.1167	\$4.7600	33.1
	\$/Mile	\$0.7006	\$0.4686	33.1
10K Lbs	\$/Cwt	\$5.6540	\$3.9801	29.6
	\$/Mile	\$1.1676	\$0.8219	29.6
All	\$/Cwt	\$12.4774	\$8.0193	35.7
	\$/Mile	\$0.0989	\$0.0636	35.7

Table C-3

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDMT

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
Minimum	\$/Cwt	\$47.5871	\$27.7618	41.7
	\$/Mile	\$0.0579	\$0.0338	41.7
200 Lbs	\$/Cwt	\$16.7064	\$12.6964	24.0
	\$/Mile	\$0.0666	\$0.0506	24.0
500 Lbs	\$/Cwt	\$12.3547	\$9.9375	19.6
	\$/Mile	\$0.1096	\$0.0882	19.6
1K Lbs	\$/Cwt	\$10.5156	\$8.1993	22.0
	\$/Mile	\$0.1884	\$0.1469	22.0
2K Lbs	\$/Cwt	\$9.0594	\$6.8378	24.3
	\$/Mile	\$0.3660	\$0.2769	24.3
5K Lbs	\$/Mile	\$7.7665	\$5.8378	24.8
	\$/Mile	\$0.7066	\$0.5312	24.8
10K Lbs	\$/Cwt	\$6.4832	\$5.2656	18.8
	\$/Mile	\$1.1500	\$0.9340	18.8
All	\$/Cwt	\$11.3969	\$8.3144	27.1
	\$/Mile	\$0.1311	\$0.0956	27.1

Table C-4

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDOU

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
Minimum	\$/Cwt	\$56.3806	\$27.1675	51.8
	\$/Mile	\$0.0431	\$0.0208	51.8
200 Lbs	\$/Cwt	\$20.7260	\$12.7009	38.7
	\$/Mile	\$0.0515	\$0.0316	38.7
500 Lbs	\$/Cwt	\$15.3793	\$9.7194	36.8
	\$/Mile	\$0.0896	\$0.0566	36.8
1K Lbs	\$/Cwt	\$12.8473	\$8.1602	36.5
	\$/Mile	\$0.1555	\$0.0988	36.5
2K Lbs	\$/Cwt	\$11.0437	\$6.8768	37.7
	\$/Mile	\$0.3031	\$0.1887	37.7
5K Lbs	\$/Cwt	\$9.3156	\$5.6172	39.7
	\$/Mile	\$0.6015	\$0.3627	39.7
10K Lbs	\$/Cwt	\$7.6960	\$4.6892	39.1
	\$/Mile	\$0.9681	\$0.5898	39.1
All	\$/Cwt	\$15.1600	\$8.8352	41.7
	\$/Mile	\$0.0900	\$0.0525	41.7

Table C-5

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDRV

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
Minimum	\$/Cwt	\$46.0049	\$31.6485	31.2
	\$/Mile	\$0.0617	\$0.0424	31.2
200 Lbs	\$/Cwt	\$15.9197	\$12.9103	18.9
	\$/Mile	\$0.0703	\$0.0570	18.9
500 Lbs	\$/Cwt	\$11.1819	\$9.4872	15.2
	\$/Mile	\$0.1127	\$0.0956	15.2
1K Lbs	\$/Cwt	\$9.3878	\$7.5668	19.4
	\$/Mile	\$0.1948	\$0.1571	19.4
2K Lbs	\$/Cwt	\$8.0973	\$6.1534	24.0
	\$/Mile	\$0.3778	\$0.2871	24.0
5K Lbs	\$/Cwt	\$6.8878	\$4.8749	29.2
	\$/Mile	\$0.7274	\$0.5148	29.2
10K Lbs	\$/Cwt	\$5.9464	\$4.4367	25.4
	\$/Mile	\$1.1197	\$0.8354	25.4
All	\$/Cwt	\$11.1636	\$8.3802	24.9
	\$/Mile	\$0.1241	\$0.0931	24.9

Table C-6

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 50 AND GTP LTL RATES FOR DDTC

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
Minimum	\$/Cwt	\$59.2564	\$31.6620	46.6
	\$/Mile	\$0.0361	\$0.0193	46.6
200 Lbs	\$/Cwt	\$22.1104	\$15.0281	32.0
	\$/Mile	\$0.0444	\$0.0302	32.0
500 Lbs	\$/Cwt	\$16.0716	\$11.8157	26.5
	\$/Mile	\$0.0766	\$0.0563	26.5
1K Lbs	\$/Cwt	\$12.6881	\$9.7143	23.4
	\$/Mile	\$0.1367	\$0.1046	23.4
2K Lbs	\$/Cwt	\$10.1095	\$7.8265	22.6
	\$/Mile	\$0.2835	\$0.2195	22.6
5K Lbs	\$/Cwt	\$8.0647	\$6.0019	25.6
	\$/Mile	\$0.5928	\$0.4412	25.6
10K Lbs	\$/Cwt	\$6.2814	\$4.5921	26.9
	\$/Mile	\$1.0101	\$0.7384	26.9
All	\$/Cwt	\$11.7242	\$8.3542	28.7
	\$/Mile	\$0.0993	\$0.0707	28.7

APPENDIX D

Comparison Between a Commercial Rate Schedules and GTP Rates
For Second Destination TL Shipments
By Depot

Table D-1

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 35 RATES AND GTP TL RATES FOR DDCO

Weight Category	Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
15K Lbs	\$/Cwt	\$7.0230	\$4.6599	33.7
	\$/Mile	\$1.7307	\$1.1483	33.7
20K Lbs	\$/Cwt	\$5.4916	\$3.2706	40.4
	\$/Mile	\$2.1349	\$1.2714	40.4
30K Lbs	\$/Cwt	\$5.2371	\$3.3921	35.2
	\$/Mile	\$2.0744	\$1.3436	35.2
All	\$/Cwt	\$5.6135	\$3.5574	36.6
	\$/Mile	\$2.0118	\$1.2750	36.6

Table D-2

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL CLASS 35 RATES AND GTP TL RATES FOR DDMP

Weight Category	Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
15K Lbs	\$/Cwt	\$5.7545	\$3.2246	44.0
	\$/Mile	\$1.8829	\$1.0551	44.0
20K Lbs	\$/Cwt	\$4.7853	\$2.2418	53.2
	\$/Mile	\$2.6102	\$1.2228	53.2
30K Lbs	\$/Cwt	\$3.6383	\$1.9730	45.8
	\$/Mile	\$2.7148	\$1.4722	45.8
All	\$/Cwt	\$4.6261	\$2.3831	48.5
	\$/Mile	\$2.3658	\$1.2187	48.5

Table D-3

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL
CLASS 35 RATES AND GTP TL RATES FOR DDMT

Weight Category	Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
15K Lbs	\$/Cwt	\$6.1935	\$4.3350	30.0
	\$/Mile	\$1.7871	\$1.2508	30.0
20K Lbs	\$/Cwt	\$5.5293	\$2.9901	45.9
	\$/Mile	\$2.4893	\$1.3462	45.9
30K Lbs	\$/Cwt	\$4.4046	\$2.2544	48.8
	\$/Mile	\$2.7303	\$1.3974	48.8
All	\$/Cwt	\$5.2272	\$2.9570	43.4
	\$/Mile	\$2.3568	\$1.3332	43.4

Table D-4

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL
CLASS 35 RATES AND GTP TL RATES FOR DDOU

Weight Category	Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
15K Lbs	\$/Cwt	\$7.2188	\$3.8103	47.2
	\$/Mile	\$1.4996	\$0.7915	47.2
20K Lbs	\$/Cwt	\$6.2791	\$2.9219	53.5
	\$/Mile	\$1.8607	\$0.8659	53.5
30K Lbs	\$/Cwt	\$5.4669	\$1.7753	67.5
	\$/Mile	\$2.3561	\$0.7651	67.5
All	\$/Cwt	\$5.9390	\$2.3851	59.8
	\$/Mile	\$2.0054	\$0.8054	59.8

Table D-5

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL
CLASS 35 RATES AND GTP TL RATES FOR DDRV

Weight Category	Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
15K Lbs	\$/Cwt	\$5.6543	\$3.4791	38.5
	\$/Mile	\$1.7265	\$1.0623	38.5
20K Lbs	\$/Cwt	\$4.1927	\$2.3142	44.8
	\$/Mile	\$2.3221	\$1.2817	44.8
30K Lbs	\$/Cwt	\$2.7788	\$1.7632	36.6
	\$/Mile	\$2.6739	\$1.6967	36.6
All	\$/Cwt	\$3.6125	\$2.1603	40.2
	\$/Mile	\$2.2962	\$1.3732	40.2

Table D-6

COMPARISON BETWEEN UNDISCOUNTED COMMERCIAL
CLASS 35 AND GTP TL RATES FOR DDTC

Weight Category	Rate Type	Mean Comm'l Rate	Mean GTP Rate	Percentage Reduction of Comm'l Rate
15K Lbs	\$/Cwt	\$3.8384	\$3.0408	20.8
	\$/Mile	\$1.3350	\$1.0575	20.8
20K Lbs	\$/Cwt	\$2.6430	\$2.0972	20.7
	\$/Mile	\$1.7369	\$1.3782	20.7
30K Lbs	\$/Cwt	\$2.7953	\$1.7625	37.0
	\$/Mile	\$2.3028	\$1.4520	37.0
All	\$/Cwt	\$2.8559	\$2.0128	29.5
	\$/Mile	\$1.9087	\$1.3452	29.5

APPENDIX E

Comparison Between GSA Baseline Rate Schedule and GTP Rates
For Second Destination TL Shipments
By Depot

Table E-1

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDCO

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
15K Lbs	\$/Cwt	\$5.3936	\$4.6599	13.6
	\$/Mile	\$1.3291	\$1.1483	13.6
20K Lbs	\$/Cwt	\$4.5259	\$3.2706	27.7
	\$/Mile	\$1.7594	\$1.2714	27.7
30K Lbs	\$/Cwt	\$4.4546	\$3.3921	23.9
	\$/Mile	\$1.7644	\$1.3436	23.9
All	\$/Cwt	\$4.6314	\$3.5574	23.2
	\$/Mile	\$1.6599	\$1.2750	23.2

Table E-2

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDMP

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
15K Lbs	\$/Cwt	\$4.7051	\$3.2246	31.5
	\$/Mile	\$1.5395	\$1.0551	31.5
20K Lbs	\$/Cwt	\$3.8446	\$2.2418	41.7
	\$/Mile	\$2.0970	\$1.2228	41.7
30K Lbs	\$/Cwt	\$3.3711	\$1.9730	41.5
	\$/Mile	\$2.5154	\$1.4722	41.5
All	\$/Cwt	\$3.8877	\$2.3831	38.7
	\$/Mile	\$1.9881	\$1.2187	38.7

Table E-3

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDMT

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
15K Lbs	\$/Cwt	\$5.1929	\$4.3350	16.5
	\$/Mile	\$1.4983	\$1.2508	16.5
20K Lbs	\$/Cwt	\$4.3409	\$2.9901	31.1
	\$/Mile	\$1.9543	\$1.3462	31.1
30K Lbs	\$/Cwt	\$3.7426	\$2.2544	39.8
	\$/Mile	\$2.3199	\$1.3974	39.8
All	\$/Cwt	\$4.2703	\$2.9570	30.8
	\$/Mile	\$1.9254	\$1.3332	30.8

Table E-4

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDOU

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
15K Lbs	\$/Cwt	\$6.1780	\$3.8103	38.3
	\$/Mile	\$1.2834	\$0.7915	38.3
20K Lbs	\$/Cwt	\$5.4439	\$2.9219	46.3
	\$/Mile	\$1.6132	\$0.8659	46.3
30K Lbs	\$/Cwt	\$4.5380	\$1.7753	60.9
	\$/Mile	\$1.9558	\$0.7651	60.9
All	\$/Cwt	\$5.0240	\$2.3851	52.5
	\$/Mile	\$1.6964	\$0.8054	52.5

Table E-5

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDRV

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
15K Lbs	\$/Cwt	\$4.8895	\$3.4791	28.8
	\$/Mile	\$1.4930	\$1.0623	28.8
20K Lbs	\$/Cwt	\$3.8276	\$2.3142	39.5
	\$/Mile	\$2.1199	\$1.2817	39.5
30K Lbs	\$/Cwt	\$2.9910	\$1.7632	41.1
	\$/Mile	\$2.8781	\$1.6967	41.1
All	\$/Cwt	\$3.5082	\$2.1603	38.4
	\$/Mile	\$2.2299	\$1.3732	38.4

Table E-6

COMPARISON BETWEEN UNDISCOUNTED GSA BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDTC

Weight Category	Rate Type	Mean GSA Rate	Mean GTP Rate	Percentage Reduction of GSA Rate
15K Lbs	\$/Cwt	\$4.5152	\$3.0408	32.7
	\$/Mile	\$1.5703	\$1.0575	32.7
20K Lbs	\$/Cwt	\$3.5631	\$2.0972	41.1
	\$/Mile	\$2.3415	\$1.3782	41.1
30K Lbs	\$/Cwt	\$3.2029	\$1.7625	45.0
	\$/Mile	\$2.6386	\$1.4520	45.0
All	\$/Cwt	\$3.4655	\$2.0128	41.9
	\$/Mile	\$2.3161	\$1.3452	41.9

APPENDIX F

Comparison Between MTMC Baseline Rate Schedule and GTP Rates
For Second Destination TL Shipments
By Depot

Table F-1

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDCQ

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
15K Lbs	\$/Cwt	\$4.3272	\$4.6599	-7.7
	\$/Mile	\$1.0663	\$1.1483	-7.7
20K Lbs	\$/Cwt	\$3.7616	\$3.2706	13.1
	\$/Mile	\$1.4623	\$1.2714	13.1
30K Lbs	\$/Cwt	\$3.7667	\$3.3921	10.0
	\$/Mile	\$1.4920	\$1.3436	10.0
All	\$/Cwt	\$3.8562	\$3.5574	7.8
	\$/Mile	\$1.3820	\$1.2750	7.8

Table F-2

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDMP

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
15K Lbs	\$/Cwt	\$3.6669	\$3.2246	12.1
	\$/Mile	\$1.1998	\$1.0551	12.1
20K Lbs	\$/Cwt	\$3.0747	\$2.2418	27.1
	\$/Mile	\$1.6771	\$1.2228	27.1
30K Lbs	\$/Cwt	\$2.8432	\$1.9730	30.6
	\$/Mile	\$2.1215	\$1.4722	30.6
All	\$/Cwt	\$3.1363	\$2.3831	24.0
	\$/Mile	\$1.6039	\$1.2187	24.0

Table F-3

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDMT

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
15K Lbs	\$/Cwt	\$4.1919	\$4.3350	-3.4
	\$/Mile	\$1.2095	\$1.2508	-3.4
20K Lbs	\$/Cwt	\$3.6004	\$2.9901	17.0
	\$/Mile	\$1.6209	\$1.3462	17.0
30K Lbs	\$/Cwt	\$3.2487	\$2.2544	30.6
	\$/Mile	\$2.0138	\$1.3974	30.6
All	\$/Cwt	\$3.5753	\$2.9570	17.3
	\$/Mile	\$1.6120	\$1.3332	17.3

Table F-4

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDOU

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
15K Lbs	\$/Cwt	\$4.9084	\$3.8103	22.4
	\$/Mile	\$1.0196	\$0.7915	22.4
20K Lbs	\$/Cwt	\$4.4240	\$2.9219	34.0
	\$/Mile	\$1.3110	\$0.8659	34.0
30K Lbs	\$/Cwt	\$3.8924	\$1.7753	54.4
	\$/Mile	\$1.6776	\$0.7651	54.4
All	\$/Cwt	\$4.1846	\$2.3851	43.0
	\$/Mile	\$1.4130	\$0.8054	43.0

Table F-5

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDRV

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
15K Lbs	\$/Cwt	\$3.8672	\$3.4791	10.0
	\$/Mile	\$1.1808	\$1.0623	10.0
20K Lbs	\$/Cwt	\$3.0626	\$2.3142	24.4
	\$/Mile	\$1.6962	\$1.2817	24.4
30K Lbs	\$/Cwt	\$2.4880	\$1.7632	29.1
	\$/Mile	\$2.3940	\$1.6967	29.1
All	\$/Cwt	\$2.8523	\$2.1603	24.3
	\$/Mile	\$1.8130	\$1.3732	24.3

Table F-6

COMPARISON BETWEEN UNDISCOUNTED MTMC BASELINE RATES
ADJUSTED TO CLASS 35 AND GTP TL RATES FOR DDTC

Weight Category	Rate Type	Mean MTMC Rate	Mean GTP Rate	Percentage Reduction of MTMC Rate
15K Lbs	\$/Cwt	\$3.5423	\$3.0408	14.2
	\$/Mile	\$1.2320	\$1.0575	14.2
20K Lbs	\$/Cwt	\$2.8767	\$2.0972	27.1
	\$/Mile	\$1.8905	\$1.3782	27.1
30K Lbs	\$/Cwt	\$2.7608	\$1.7625	36.2
	\$/Mile	\$2.2744	\$1.4520	36.2
All	\$/Cwt	\$2.8839	\$2.0128	30.2
	\$/Mile	\$1.9274	\$1.3452	30.2

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13. ABSTRACT (Maximum 200 words) This report documents a comparison of the Defense Logistics Agency's (DLA) current transportation rates to various rate schedules used in both the government and the private sector. Applicable transportation rate schedules were obtained from the General Services Administration (GSA), the Military Traffic Management Command (MTMC), and a nationwide motor carrier. Comparison transportation costs were calculated using actual shipment data and the applicable rate schedules. DLA's shipment costs were based on the actual transportation costs. Based on the results of this study, it is recommended that consideration be given to the possible expansion of the Government Traffic Program to include less-than-truckload shipments.			
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